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- India's Industrial and Service sector contributed around 29.1% & 53.9% to GDP in 2017-18 respectively.
- Both the sectors comprise *Organized* as well as *Unorganized sector*.
- Unorganized sector has significantly low share in production (around 30%), but it is the main source of employment in India.
- Whereas, organized sector only accounts for 30% of total employment.

**Organized Unit:** Units employing “10 or more workers with power” or “20 or more workers without power” are considered as Organized Units.

According to Definition of Organized sector provided by Central Statics Office (CSO)(India), complex enterprises comes the purview of Organized Sector.

## Definition of Complex Enterprises:

An enterprise follows any of the following criteria, then the enterprise will be considered as **Complex Enterprise**:

- ❑ **Produce wide range of products from a single production units.**
- ❑ When **different types of products bundled together as single output**. E.g. While selling AC/Fridge companies provides services with the product which is sometimes undistinguishable.
- ❑ A single production unit producing different products **uses same raw materials for different products**.
- ❑ **Same assembly line is used** to produce different product from a single production units.

- ❖ The **Annual Survey of Industry (ASI)** collects data on key variables from manufacturing units belonging to Organized Manufacturing Sector on regular basis each year.
- ❖ Apart from **ASI**, **Ministry of Corporate Affairs (MCA)** also collects the data from Companies from both Industry and Service sectors.

## Coverage of ASI:

- ❑ It covers all registered factories under Factories Act, 1948. All registered manufacturing and repairing units in the frame are grouped into two basic strata namely, the **census sector and the sample sector**. The units in the census stratum are surveyed on a complete enumeration basis.
- ❑ The census sector comprises the following:
  - I. All industrial units belonging to the seven less industrially developed states/ UT's viz. Arunachal Pradesh, Manipur, Meghalaya, Nagaland, Sikkim, Tripura and Andaman & Nicobar Islands.
  - II. For the States/ UTs other than those mentioned in (a),
    - a) units having 75 or more employees from six States, namely, Jammu & Kashmir, Himachal Pradesh, Rajasthan, Bihar, Chhattisgarh and Kerala;
    - b) units having 50 or more employees from three States/UTs, namely, Chandigarh, Delhi and Puducherry;
    - c) units having 100 or more employees for rest of the States/UTs, not mentioned in (i) and (ii) above and;
  - III. Strata (State by 4-digit of NIC-2008) *having less than or equal to four units after selecting the Census Sector units as defined above* are also selected as census sector units (this figure was 6 earlier)
- ❑ A sample of suitable size from each stratum is drawn circular systematically with equal probability and in the form of two independent sub-samples after arranging the units according to district and number of workers.
- ❑ Of the total number of **234271** units in the frame, the gross allotment of units considered for survey (which includes non-operating factories appearing in the frame) at the country level is **73,481 (47,905 Census and 25,576 Sample)** units (2015-16 Survey). Out of 234271 units in the frame the **estimated number of factories in operation by status of survey was only 191062**.

## Coverage of MCA

- ❖ The responsibility for collection, compilation and dissemination of basic statistics on the Indian Corporate Sector is vested with the Ministry of Corporate Affairs.
- ❖ The registered companies are required to file certain documents and returns with the offices of various Registrars of Companies (RoCs) under the provisions of Companies Act, 1956.
- ❖ This “Companies Act, 1956” has been amended over time.

- MCA 21 database was created under an e-governance project by the Ministry of Corporate Affairs. Under this initiative, online data are submitted by the companies (registered under Companies Act, 1956) themselves under two web platforms namely, (i) **form 23 AACA** and (ii) **XBRL**.
- **Form 23 AC/ACA:** MCA is collecting the main financial parameters of the profit and loss account and the balance sheet of the private companies in the form 23 AC/ACA and form 23 AC.
- **XBRL:** MCA has introduced XBRL which is data-rich dialect of XML (Extensible Markup Language) in addition to form 23 AC/ACA.. Legal provision fixed by MCA ensures that companies falling in the following categories file their Balance Sheet and Profit & Loss Account
  - **all companies listed with any Stock Exchange(s) in India and their Indian subsidiaries; or**
  - **all companies having paid up capital of Rupees five crore and above; or**
  - **all companies having turnover of Rupees one hundred crore and above; or**
  - **all companies who were required to file their financial statements for FY 2010-11, using XBRL.**

Sl. No	Economic Activities	Total No. of Companies (As on 31st March)		
		2015	2016	2017
1	Agriculture & Allied Activities	26388	29346	32846
2	Industry	347189	3,59,432	374946
3	Services	624419	6,76,221	741195
4	Others	24015	23781	20316
	Total	1022011	10,88,780	1169303

## Problems of Profiling and Collecting Data on Large and Complex Enterprises:

- ASI fails to **identify the diversified product sold in a bundle** by the firm.
- Since, Large and Complex enterprises produce various products and their production baskets are changing continuously, ASI sometimes fails to capture the newly added items.
- Due to **fast changing nature of the product** produced by the large and complex enterprises, **National Industrial Classification 2008 (NIC 2008)** does not capture those items in a particular category and hence those products are **included in Others categories**.
- This **misallocation of newly added items undermine/overestimate the GVA estimates**. Therefore, macro level estimates of key variables based on improper classification of those items may deviate to an extent.
- ASI provides data on selected variables. It fails to provide the **information of important variables** which are generated due to complex nature of the enterprises. For example, ASI only provides the information on Fixed Capital formation but it fails to bifurcate between **ICT capital and Non-ICT capital**.
- In ASI, there exists a large gap between **Reference period and Date of Publication of Data**. For example, in **ASI 2015-2016**, **data collected from establishments relate to their respective accounting years that ended on any day between 1st April 2015 and 31st March 2016. Survey was conducted in the year 2017 (January 2017 to October, 2017). Final data of reference period 2015-16 was published in May 2018**. This large gap between the **reference period and final date of publication** reduces the **usability of the ASI data**. **MCA 21 data are also available after a considerable**.
- When same raw material is used to produce different products, **proper accounting is not maintained product wise**.
- Companies with poor balance sheet fail to submit their returns resulting in biasness in reporting.